SCHOOL STANDARDS AND FRAMEWORK ACT 1998

Account, prepared pursuant to Schedule 1, para 7(1) of the School Standards and Framework Act 1998, of the North Islington Education Action Zone for the period ended 30 November 2004, together with the Comptroller and Auditor General's Certificate and Report thereon. (In continuation of House of Commons Paper No. 1110 of 2003-2004)

Presented pursuant to School Standards and Framework Act 1998, Sch. 1, s 11, para 7(3)

North Islington Education Action Zone Account 1 April 2004 to 30 November 2004

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Legal and Administrative Information

Trustees

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Fr Joseph Brown
Beverly Foster
Anna Butler
Gloria Tofi
Debbie Brown
Tammy Whyte
Vacant
Vacant

Julie Burrows Avis Johnson Don Leavy Lawrie Patterson Colin Hughes Suzanne Stott

Vacant Chris King

Cllr James Kempton

Vacant Gaynor Cashin Mike Fischer RM Community Ltd

Bill Clarke

Margaret McMillan Nursery North Islington Nursery

Ambler School Christ the King School

Duncombe School Gillespie School Grafton School Hargrave Park School Montem School Pakeman School

Poole's Park School

St John's Highbury Vale School St John's Upper Holloway School

St Joseph's School St Mark's School Yerbury School Mount Carmel School St Aloysius College The Bridge

London Borough of Islington London Borough of Islington

Project Director Fischer Family Trust

RM Plc

CEA @ Islington

EAZ Office

Top Floor Montem Primary School Hornsey Road London N7 7QT

Auditors

The Comptroller and Auditor General National Audit Office 157-197 Buckingham Palace Road London SW1W 9SP

Bankers

Co-Op Bank Plc 6 Olympic Court, Off Montford Street Salford M5 2QP

Report of the Trustees

The Trustees present their report and the audited financial statements for the period ended 30 November 2004.

Constitution and principal activities

The North Islington Education Action Forum is a corporate body and exempt charity established on 1 December 1999 under the School Standards and Framework Act 1998 and associated regulations. The Forum does not have a share capital. This Act and its associated regulations are the primary governing documents of the Forum. Trustees of the Forum are nominated by lead partners of the EAZ, Fischer Family Trust, RM, CEA@Islington, Islington LEA and each of the 20 Zone schools.

The principal activity of the Forum is to improve standards within the schools that are part of its Education Action Zone.

In accordance with the Act the Forum has adopted an 'Action Plan' approved by the Secretary of State for Education and Skills. The Action Plan specifies, amongst other things

The main aim of the Zone is to widen horizons and raise standards of pupils' achievement. The Zone's Action Plan concentrates on five main areas: Literacy, Numeracy, ICT, Personal and Social Development and Professional Development. The main projects under each theme are: Key Stage (KS)1 Literacy Support Project using additional trained classroom assistants; Supporting and extending the KS3 Strategy in Numeracy and Foundation Subjects by Developing Interactive Teaching (DIT) projects; Easiteach; CAME¹ for primary numeracy; and Maths Alive for KS3; Extending pupil access to computers and personal access for all teachers; School-home liaison and management development, including the MA degree on Managing School Improvement.

Future prospects

Under the 1998 School Standards and Framework Act the Education Action Zone was given a statutory life of no more than five years. As this period was completed on 30 November 2004 the Secretary of State for Education and Skills has passed an order closing the Zone with effect from this date.

Going concern

In view of the cessation of the Forum's activities on 30 November 2004 the Trustees no longer consider the preparation of the accounts on a going concern basis to be appropriate. Upon closure the Zone's assets and liabilities have been transferred to London Borough of Islington, the nominated successor body.

Organisation and objectives

The sole activity of the Forum is the operation of the North Islington Education Action Zone.

The operational management structure of the EAZ consists of the Project Director and Programme Leaders who report to an Executive Board, which is the principal, decision making body of the Forum. The Project Director and Programme Leaders constitute the EAZ senior management team, which has responsibility for many of the day-to-day management responsibilities.

The aim of the management structure is to involve schools and business partners and encourage involvement in key decision-making.

The present Trustees are set out in the Legal and Administrative section on page 2 of the accounts.

The Forum is supported by donations in cash and in Kind from the Fischer Family Trust, Research Machines and Islington Council LEA, all of which are represented on the Forum. The Forum also purchases goods and services from Research Machines and the Council.

Developments, activities and achievements

The Zone has succeeded in raising standards of achievement at all Key Stages at a greater rate than national progress. Most significant gains have been made at KS1 where programmes have been focussed. The focus on early literacy continues because research has shown that 90% of pupils achieving 2B in reading and writing achieve Level 4 at KS2. The 2004 results for pupils at all key stages show significant improvement and value added to expected progression based on prior attainment.

The Developing Interactive Teaching Programme continues to have a major impact on the quality of teaching and learning using ICT.

These include projects that support and extend the national strategies in Literacy, Numeracy and Foundation Subjects. Professional development programmes are integral to these projects supplemented by additional programmes such as the MA degree. Schools have also benefited from senior leadership programmes, e.g. the Fischer Family Trust effective management of pupil data project. Pupils and families have also benefited from the school-home support project using specialist workers from the School Home Support Organisation.

The Zone is prepared for its transformation into an Excellence in Cities Zone from December 2004. The Transformation Action Plan has been accepted unconditionally by DfES.

Operating and financial review

The financial statements have been prepared in accordance with current statutory requirements and the Forum's governing documents.

Most of the EAZ's income is obtained from the Department for Education and Skills (DfES) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2004 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During 2004 the EAZ also received other restricted grants from the DfES and other Government Agencies and donations from Fischer Family Trust and Research Machines, the details of which are in note 5. These donations have been given to the EAZ to assist it to achieve its action plan and have been fully expended.

The accounts show that expenditure has exceeded income by £100,000 in the year. This has been met from surplus funds carried forward from previous years.

The Forum does not hold any fixed assets as all items of equipment purchased are donated to schools. The Forum does, however, retain rights over the allocation of these assets and could reallocate them if it was felt that they were not being used to achieve the aims of the Forum.

There have not been any changes in the accounting policies of the Forum, and the Forum does not hold any investments.

Fund review

As indicated above, the Forum's reserves have been used entirely to meet the excess of expenditure over income in the period. There are no future obligations to be met from these funds.

Connected organisations

The EAZ worked closely with its partnership schools to achieve the Forum's objectives. The partnership schools were

Margaret McMillan Nursery North Islington Nursery Ambler (JMI) School Christ the King RC (JMI) School

Duncombe (JMI) School Gillespie (JMI) School Grafton (JMI) School Hargrave Park (JMI) School

Montem (JMI) School

St Aloysius College

Pakeman (JMI) School Pooles Park (JMI) School St John's Highbury Vale (JMI) St John's Upper Holloway (JMI) St Joseph's (JMI) School St Mark's (JMI) School Yerbury (JMI) School

Islington Arts & Media School Mount Carmel Technology College

The Bridge School

The Fischer Family Trust and Research Machines were business sponsors of the Forum and have donated a total of £187,000 to assist the Forum to achieve its objectives. The Forum also contracted with Islington Council and Cambridge Education Associates to provide accounting and personnel services.

Disabled persons

The policy of the Forum is to support the employment of disabled persons both in the recruitment and by retention of employees who become disabled whilst in the employment of the Forum, as well as generally through training and career development.

Post balance sheet events

The Zone ceased all activities at the end of its statutory life on 30 November 2004. At this date it transformed into the Excellence in Cities Action Zone. Expenditure for the period included redundancy and early retirement costs of £88,000.

Reserves policy

The Forum cannot build up restricted reserves of DfES grant as the Department requires that this grant should be applied in the year in which it is received. Where the Forum has earned unrestricted income (i.e. bank interest) it is the Forum's policy to apply the reserves to programmes according to need in the Action Plan.

Risk management

In October 2001 the Trustees carried out a detailed review of the Forum's activities and considered the major opportunities available to the charity and the risks to which it is exposed. The Trustees monitor progress against the strategic objectives set out in the plan and the annual review of the plan was due to be carried out by the Forum in October 2002. However this meeting of the Forum was cancelled and the Forum Chair and the Project Director met to review the risks identified in 2001. No new risks were identified and the risks associated with the Forum's activities were reviewed by the Forum in October 2003. As part of this process, the Trustees have implemented a risk management strategy that comprises

- an annual review of the risks which the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

Statement on Internal Control

a Maintenance of internal controls

As Trustees, we have responsibility for maintaining a sound system of internal control that supports the achievement of the Forum's policies, aims and objectives whilst safeguarding the public funds and assets for which we are responsible, in accordance with the responsibilities assigned to us in our Financial Memorandum and Government Accounting.

The system of internal control established by the Forum is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system is intended to identify the principal risks, evaluate their nature and extent in relation to the policies, aims and objectives and to manage them efficiently, effectively and economically.

The process has been in place for the period ended 30 November 2004 and up to the date of the approval of the annual report and accounts and accords with Treasury Procedures.

b Review of controls

As Trustees, we also have responsibility for reviewing the effectiveness of the system of internal controls. In 2004 the Forum has established and maintained the following processes

- the Forum has carried out a review of its activities and considered the major opportunities available to it and the risks to which it is exposed. It has noted that the Zone is in a fortunate position compared to most other Zones in receiving ongoing financial sponsorship from the Fischer Family Trust and Research Machines £90,000 and £97,000 respectively in the period to 30 November 2004;
- the Forum has established systems and procedures to mitigate the risks identified in the plan;
- the Forum has procedures for monitoring progress against the strategic objectives set out in the plan at regular meetings once a school term; and
- a comprehensive annual review of the controls in operation is undertaken, including a review of the risks which the Forum may face and the allocation of risk ownership, including the role of the Forum, sub committees and Project Director.

The Forum ensured the continuation of good practice achieved by

- ensuring the separation of staff duties where possible; and
- holding frequent meetings termly, of the Forum and the Board.

Our review of the effectiveness of the systems of internal control is informed by comments made by the external auditors in their management letter and other reports.

Statement of Trustees' responsibilities for the Financial Statements

Under the School Standards and Framework Act 1998, Trustees are required to prepare financial statements for each financial period in the form and on the basis determined by the Secretary of State with the approval of the Treasury. In preparing these financial statements the Trustees have

- selected suitable accounting policies and applies them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the basis that the Forum's activities were ceasing.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Forum and enable them to ensure that the financial statements comply with the Accounts Direction given by the Secretary of State. They are also responsible for safeguarding the assets of the Forum and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have a responsibility to ensure that the Forum's accounting records and systems of internal financial control for the relevant financial period comply with the obligations placed on the Forum by the Secretary of State for Education and Skills.

Auditors

The Auditor, the Comptroller and Auditor General, is appointed under the terms of the 1998 School Standards and Framework Act.

Approval

The report of the Trustees was approved on 17 January 2005 and signed on their behalf by

Chris King Chairman Gaynor Cashin Project Director

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements on pages 10 to 22 under the School Standards and Framework Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 14 and 15.

Respective Responsibilities of the Trustees and Auditor

As described on page 7 the Trustees are responsible for the preparation of the financial statements and for ensuring the regularity of financial transactions. The Trustees are also responsible for the preparation of the Trustees' Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills, whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and whether the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Trustees' Annual Report is not consistent with the financial statements, if the Forum has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on page 6 reflects the Forum's compliance with HM Treasury's guidance 'Corporate Governance: statement on the system of internal control.' I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of audit opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Zone's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

Following the passing of the North Islington Education Action Zone (Dissolution) Order 2004, the Zone ceased to exist with effect from 30 November 2004. Accordingly as explained in the Trustees' Report and note 1 to the accounts, the financial statements have been prepared on the basis that the Zone is no longer a going concern. My opinion is not qualified in this respect.

Opinion

In my opinion

- the financial statements give a true and fair view of the state of affairs of the North Islington EAZ at 30 November 2004 and of its incoming resources, application of resources and cash flows for the period then ended and have been properly prepared in accordance with the School Standards and Framework Act 1998 and directions made thereunder by the Secretary of State for Education and Skills; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.

John Bourn Comptroller and Auditor General

15 February 2005

National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP

Statement of Financial Activities for the period ended 30 November 2004

	Ur	restricted	R	estricted fun	ds	Total	Total
		funds	DfES		Fixed assets	2004-2005	2003-2004
Incoming resources	Notes	£000	£000	£000	£000	£000	£000
DfES grants receivable	2,3	0	692	0	0	692	932
Other government	_,0	•	07-	· ·	· ·		702
grants receivable	4	0	0	0	0	0	36
Private sector contributions	5	187	0	0	0	187	328
Public sector contributions	5	4	0	0	0	4	5
Other income	6	12	0	0	0	12	15
Total incoming resources		203	692	0	0	895	1,316
Resources expended							
Costs of generating funds	7	0	0	0	0	0	0
Net incoming resources							
for charitable application		203	692	0	0	895	1,316
Charitable expenditure							
Costs in furtherance of charitable ob	jectives						
Provision of education	7	0	469	0	0	469	696
Education support costs	7	131	157	0	0	288	371
Grants payable	7	0	11	0	0	11	54
Management and administration	7	136	0	0	0	136	168
Total charitable expenditure		267	637	0	0	904	1,289
Costs of termination of operations	9	36	55	0	0	91	0
Total resources expended		303	692	0	0	995	1,289
Net (outgoing)/incoming							
resources before transfers		(100)	0	0	0	(100)	27
Transfers between funds		0	0	0	0	0	0
Net movement in funds		(100)	0	0	0	(100)	27
Fund balances brought							
forward at 1 April 2004		100	0	0	0	100	73
Fund balances carried forward at 30 November 2004	18,19			0			100
io. Haid at 30 Hoveliber 2007	. 0, 1 2						

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the EAZ during the period and reconciles the movement in funds. There is no difference in the net movement of funds stated above and its historical equivalent.

All items dealt with in arriving at the net movement in funds for 2004-2005 relate to discontinued operations.

Further analysis of the income and expenditure for the period is shown on page 11 and the overall financial position at the period end is summarised in the balance sheet on page 12.

The notes on pages 14 to 22 form part of these accounts.

Income and Expenditure Account for the period ended 30 November 2004

	Notes	2004-2005 £000	2003-2004 £000
Income		400	224
DfES EAZ recurrent grant	2	633	921
DfES EAZ fixed asset grant	2	0	0
Other DfES grants	3	59	11
Other government grants	4	0	36
Private sector contributions	5	187	328
Public sector contributions	5	4	5
Other income	6	12	15
Total income		895	1,316
Charitable expenditure			
DfES EAZ grant expenditure	7	633	921
Other DfES grant expenditure	7	4	11
Other government grant expenditure	7	0	36
Depreciation	7	0	0
Other expenditure	7	267	321
Total charitable expenditure		904	1,289
Costs of generating funds	7	0	0
Costs of termination of operations	9	91	0
Total resources expended		995	1,289
(Deficit)/excess of income over expenditure		(100)	27
Net transfers to/from funds			
DfES EAZ fund	18	0	0
Other restricted funds	18	0	0
Unrestricted funds	19	(100)	27
Net movement in funds		(100)	27

The Income and Expenditure account is derived from the Statement of Financial Activities on page 10 which, together with the notes to the accounts on pages 14 to 22 provide full information on the movements during the period on all the funds of the Forum.

All items dealt with in arriving at the deficit of income over expenditure for 2004-2005 relate to discontinued operations.

The Forum has no recognised gains and losses other than those included in the above results and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 14 to 22 form part of these accounts.

Balance Sheet as at 30 November 2004

	3	1 November 2004	31 March 2004
	Notes	£000	£000
Fixed assets			
Tangible assets	13	0	0
		0	0
Current assets			
Debtors	15	0	0
Cash at bank and in hand		0	112
		0	112
Creditors: amounts falling due within one period	16	0	12
Net assets		0	100
Funds			
Restricted funds	18	0	0
Unrestricted funds	19	0	100
		0	100

The financial statements were approved by the Forum on 17 January 2005 and signed on its behalf by

Chris King Chairman Gaynor Cashin Project Director

Cash Flow Statement for the period ended 30 November 2004

Note	2004-2005 £000	2003-2004 £000
Operating activities	2000	1000
Receipts		
Recurrent EAZ grant received from DfES	633	932
Other DfES grants	59	0
Other government grants	0	36
Private sector sponsorship	38	175
Public sector sponsorship	0	0
Other receipts	9	12
	739	1,155
Payments		
Staff costs	170	119
Other cash payments	684	954
Net cash (out flow)/in flow from operating activities 24	(115)	82
Returns on investments and servicing of finance		
Interest received	3	3
Interest paid	0	0
	3	85
Capital expenditure		
Purchase of tangible fixed assets	0	0
Receipts from sale of tangible fixed assets	0	0
Transfer of tangible fixed assets to schools	0	0
	0	0
Financing		
Deferred grant received	0	0
	0	0
(Decrease)/increase in cash in the period	(112)	85

Notes to the Financial Statements

1 Accounting policies

Format of accounts

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice (SORP 2000), 'Accounting and Reporting by Charities' published in October 2000 and the Charities Act 1993. A summary of the principal accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The Forum came to an end of its statutory five year life on 30 November 2004. The Trustees therefore consider it inappropriate to prepare financial statements on a going concern basis and have reflected this in drawing up the accounts.

Recognition of income

The annual EAZ grant from the DfES, which is intended to meet recurrent costs and, where specified, to purchase fixed assets, is credited direct to the income and expenditure account as restricted income. Sponsorship monies are credited direct to the income and expenditure account as unrestricted income, as the Forum has discretion in how to apply such contributions to meet its objectives.

Contributions in Kind

In accordance with the Accounts Direction provided by the Department for Education and Skills an income value is attributed to Contributions in Kind from business. These contributions are brought into the accounts at a reasonable estimate of their value to the Forum in the period in which they are receivable. As all gifts in Kind represent expenditure which the Forum would have had to incur a notional expenditure charge is recorded equal to the value of the Contribution in Kind to the Forum.

Grants receivable

Where other grants have been received these are credited to the income and expenditure account as restricted income.

Investment income and income receivable

Investment income and interest receivable are included in the financial statements on an accruals basis, and are stated inclusive of related tax credits.

Management and administration

Management and administration costs include expenditure on the administration of the charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.

Allocation of cost between direct provision of education and other expenditure

In accordance with the charities SORP expenditure has been analysed between charitable and other expenditure. The only activity undertaken by the EAZ is the operation of North Islington EAZ. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Tangible fixed assets

Tangible fixed assets costing more than £10,000 acquired since the Forum was established are included in the accounts at cost. Where tangible fixed assets have been acquired with the aid of grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Such fixed assets are shown within a restricted fund, as the undepreciated balance on that fund is not available for the Forum to spend.

Leased assets

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

Resources expended

Items are included as direct charitable expenditure where, in the view of the Forum, the activities relate to staff costs incurred when in direct contact with pupils.

Funds structure

Funds have been designated for restricted and unrestricted purposes. Fund balances existing immediately prior to the Zone's closure were transferred to London Borough of Islington LEA to meet outstanding liabilities.

Taxation

The full cost of the Forum's pension contributions on behalf of its employees is recognised in the year those contributions are made.

2 DfES EAZ grant

	2004-2005 £000	2003-2004 £000
DfES grant received in period	633	921
Carry over from previous period	0	0
Less		
Amounts due from DfES	0	0
Amount used to purchase fixed assets	0	0
Total grant available to spend	633	921
Spent in the period	633	921
Underspent grant/[funded from general fund]	0	0
Maximum permitted carry over level	0	132
Excess grant to surrender	0	0

The Trustees have not calculated a maximum permitted carry over level as the Zone is no longer a going concern.

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			2004-2005	2003-2004
			£000	£000
Transition grant			55	0
Easter school			0	2
Summer school			4	9
			59	11
4 Other government grants				
			2004-2005	2003-2004
			£000	£000
Undergraduate credit scheme			0	36
ondergraduate credit scheme				
			0	36
5 Business contributions				
	Cash	In Kind	Total	Total
	Cusii	mina	2004-2005	2003-2004
	£000	£000	£000	£000
Private sector contributions				
Fischer Family Trust	38	52	90	250
Research Machines	0	97	97	78
	38	149	187	328
Public sector contributions	30	145	107	320
London Borough of Islington	0	4	4	5
School contributions	0	0	0	0
	38	153	191	333
6 Other income				
			2004-2005	2003-2004
			£000	£000
Interest receivable			9	2
Sundry income			3 9	3 12
Sullary income				
			12	15

7 Total resources expended

	Staff	Depreciation	Other	Total 2004-2005	Total 2003-2004
	£000	£000	£000	£000	£000
Direct provision of education	0	0	469	469	696
Education support costs	42	0	246	288	371
Grants payable*	0	0	11	11	54
Management and administration	92	0	44	136	168
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	88	0	3	91	0
_	222	0	773	995	1,289
Of which					
DfES grant expenditure	0	0	633	633	921
Other DfES grant expenditure	0	0	4	4	11
Other government grant expenditure	0	0	0	0	36
Depreciation	0	0	0	0	0
Other expenditure	134	0	133	267	316
Costs of generating funds	0	0	0	0	0
Costs of termination of operations	88	0	3	91	0
_	222	0	773	995	1,284

^{*} In 2004-2005 the Zone paid the following grants to schools

	Prog	rammes	
	Raising	Developing	Total
	achievement	employability	
	£000	£000	£000
IAMS	2.0	0.0	2.0
Christ the King	2.2	0.0	2.2
St Aloysius	1.8	0.0	1.8
St Marks	1.1	0.0	1.1
St Aloysius	1.7	0.0	1.7
St Marks	0.3	0.0	0.3
Ambler	0.7	0.0	0.7
Grafton	1.2	0.0	1.2
	11	0.0	11

8 General expenditure

Included in expenditure in the income and expenditure accounts and in other costs above are

	2004-2005	2003-2004
	£000	£000
Educational supplies and services	726	1,054
Occupancy costs	8	9
Supplies and services	23	24
Operating lease rentals	1	0
Auditor's remuneration	12	8
Trustees' expenses	0	0
Ex-gratia payments	0	0
Miscellaneous	3	0
	773	1,095
9 Cost of termination of operations		
	2004-2005 £000	2003-2004 £000
Staff costs arising from Zone closure	88	0
Amounts transferred to nominated successor body to meet residual Zone liabilities	3	0
Cost of termination of operations	91	0

10 Staff costs

The average number of persons (including senior post holders) employed by the EAZ during the period expressed as full time equivalents was

	2004-2005	2003-2004
Management	2	2
Administration	2	2
Teachers	0	0
Total employees	4	4
	2004-2005	2003-2004
Staff costs for the above persons	£000	£000
Wages and salaries	121	175
Social security costs	5	8
Other pension costs (see note 17)	8	11
Costs of termination of operations	88	0
Total staff costs	222	194

Costs associated with Zone Closure comprised retention payments of £1,416, Redundancy costs of £28,086 and early retirement costs of £58,682.

Two employees earned more than £50,000 during 2004-2005. The total emoluments of these employees were in the following range

	2004-2005	2003-2004
£50,001 - £60,000	1	1
£60,000 - £70,000	0	0
£70,000 - £75,000	1	1

One person included in the above, and also in the total employee numbers figure of 4, constitutes a gift in Kind, and therefore is not on the payroll of the North Islington EAZ.

11 Emoluments of Trustees

The Trustees of the Forum did not receive any payment from the Forum, including the reimbursement of travel and subsistence expenses incurred in the course of their duties. Travel and subsistence expenses reimbursed in the period to 30 November 2004 totalled £nil. Travel and subsistence expenses were paid to no Trustees during the period.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Forum has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Forum business. The insurance provides cover up to £50,000 on any one claim and the cost for 2004-2005 was £1,207 (2003-2004: £1,207).

13 Tangible fixed assets

All assets purchased during the year were donated to schools and therefore the Zone does not hold any fixed assets. Total donations of £96,749 were made in the period (31 March 2004: £161,445).

14 Stocks

	30 November 2004 £000	31 March 2004 £000
Stationery	0	0
	0	0
15 Debtors		
	30 November	31 March
	2004	2004
	£000	£000
Prepayments and accrued income	0	0
Sundry debtors	0	0
Amounts due from DfES	0	0
	0	0

16 Creditors: amounts falling due within one year

30 No	vember	31 March
	2004	2004
	£000	£000
Taxation and social security	0	0
Sundry creditors	0	6
Amounts due to DfES	0	0
Accruals and deferred income	0	6
	0	12

17 Pensions and similar obligations

	2004-2005 £000	2003-2004 £000
Other pension costs comprise		
Defined benefit scheme - regular cost	8	11
Defined contribution scheme	0	0

The Zone's employees belong to the London Borough of Islington Local Government Pension Scheme

Nature of scheme	Defined benefit
Zone's contribution rate in 2004-2005	11.2%
Zone's contribution in 2004-2005	£8,000
Zone's contribution in future years	£0

Contributions are actuarially valued. The date of the last full actuarial valuation was March 2001 at which date the scheme was 84% funded.

The London Borough of Islington Pension Scheme is a multi-employer scheme. As such the Zone is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

18 Restricted funds

The incoming funds of the EAZ comprise the following balances of grants to be applied for specific purposes

	Balance 1 April 2004 £000	Incoming resources	Expenditure gains, losses and transfers £000	Balance 30 November 2004 £000	Total 31 March 2004 £000
DfES recurrent grant	0	633	(633)	0	0
Other DfES grant	0	59	(59)	0	0
Amortisation transfer	0	0	0	0	0
Other	0	0	0	0	0
	0	692	(692)	0	0

DfES EAZ recurrent grant must be used for the normal running costs of the EAZ including salaries and related costs, overheads, repairs and maintenance and insurance. The EAZ is allowed to carry forward up to 10% of the grant for programme expenditure and 2% of grant for administrative expenditure.

19 Unrestricted funds

	2004-2005	2003-2004
	£000	£000
Brought forward at 1 April 2004	100	73
Excess of expenditure over income	(100)	27
Carried forward at 30 November 2004	0	100

20 Analysis of net assets between funds

Fund balances at 30 November 2004 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2004-2005 £000	Total 2003-2004 £000
Tangible fixed assets	0	0	0	0
Current assets	0	0	0	112
Current liabilities	0	0	0	(12)
Deferred income	0	0	0	0
	0	0	0	100

21 Capital commitments

	30 November	31 March
	2004	2004
	£000	£000
Contracted for, but not provided in the accounts	0	0
Authorised by Trustees, but not yet contracted	0	0

22 Lease commitments

	30 November 2004 £000	31 March 2004 £000
Operating leases		
The payments which the Forum is committed to make in the next period for operating leases		
Within one period	0	0
One to five periods	0	3

23 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a DfES grant was received, the Forum shall if it does not re-invest the proceeds, repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Forum serving notice, the Forum may repay to the Secretary of State sums determined by reference to

- the value at that time of the EAZ's assets held for the purpose of the Forum; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As at 30 November 2004 there were no contingent liabilities (nil at 31 March 2004).

24 Reconciliation of net outgoing resources to net cash inflow from operating activities

30 Nove	mber	31 March
	2004	2004
	£000	£000
Net (outgoing)/incoming resources	(100)	27
Interest received	(3)	(3)
Depreciation	0	0
Deferred grant released to income	0	0
Profit/(loss) on disposal of fixed assets	0	0
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	0	57
(Decrease)/increase in creditors	(12)	1
Net cash (outflow)/inflow from operating activities	(115)	82

Accounts Direction given by the Secretary of State for Education and Skills, with the approval of the Treasury, in accordance with the School Standards and Framework Act

- 1 The Education Action Zone shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years comprising
 - a a Trustees' Report;
 - b a statement of financial activity and an income and expenditure account;
 - c a balance sheet;
 - d a cash flow statement; and
 - a statement of total recognised gains and losses,

including such notes as may be necessary for the purposes referred to in the following paragraphs.

- The accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year.
- 3 Subject to this requirement, the accounts shall be prepared in accordance with
 - a generally accepted accounting practice in the United Kingdom (UK GAAP), including the provisions of the Statement of Recommended Practice, Accounting by Charities. Forums shall not adopt Financial Reporting Standard, Small Entities;
 - b the disclosure and accounting requirements contained in 'The Fees and Charges Guide' (in particular those relating to the need for appropriate segmental information for services or forms of service provided) and in other guidance which the Treasury may issue from time to time in respect of accounts which are required to give a true and fair view;

insofar as these are appropriate to North Islington Education Action Zone and are in force for the financial year for which the statement of accounts is to be prepared.

- 4 The statement of financial activity, income and expenditure account and balance sheet shall be prepared under the historical cost convention. Assets and liabilities shall be included in the balance sheet at the following amounts
 - a fixed assets at cost (or valuation) less an appropriate provision for depreciation;
 - b fixed asset investments at market value;
 - c current assets (other than investments) at the lower of cost and net realisable value; and
 - d liabilities at their settlement value.
- 5 The value of contributions from business, both assets and services, should be brought into account at a reasonable estimate of their value to the Forum, i.e. they should be valued at what it would have cost the Forum to have purchased the required asset or service itself.
- 6 This direction shall be reproduced as an appendix to the accounts.

Signed by the authority of the Secretary of State for Education and Skills.

Barnaby Shaw Head of Standards Division Department for Education and Skills 26 February 2002

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